



**OFFICE OF THE COUNTY COMMISSIONERS
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SALMON, IDAHO 83467**

**Michael England, Chairman
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George Matejko
Salmon-Challis National Forest Supervisor
50 Highway 93 North
Salmon, Idaho 83467

Dear George:

The Lemhi County Board of Commissioners strongly supports the endeavors of Formation Capital Corporation in the development of the Idaho Cobalt Project. This proposed operation should be of great benefit to the economies of central and northern Idaho, while posing virtually no threat to the environment. In fact, the environment itself, in all likelihood, will actually benefit from this mining operation.

Since the operation will be self contained, with no surface water involved, there is almost no chance of runoff water contamination. The plan to refill the underground tunnels during the mining operations leaves very little material on the surface to concern future generations. The reagents used in the mill will be of little or no threat to environmental quality. Since the total area of surface disturbance will be around seventy acres, the total environmental impact will be minimal at most. Finally, because the area around the proposed operation was almost totally consumed by the fires of 2000, it will not even be necessary to cut a single living tree to clear the construction area. Due to the devastation wreaked by the Clear Creek Fire, the construction and mining can do little but improve the ecology of the area. The damage from last year's fire has left little remaining that can be threatened.

As everyone in Idaho is aware, the economies of Lemhi, Custer and Shoshone Counties have been, to say the least, struggling from the impact of federal land policies of the past decade. Double-digit unemployment has been the norm for some time in these areas. The mining operation will bring well in excess of one hundred jobs to Lemhi and Custer Counties, and the proposed purchase and operation of the refinery in Kellogg will bring a greatly needed economic boon to Shoshone County.

On the national level, the United States currently consumes forty percent of the world's

cobalt production, while producing none. As cobalt becomes more and more necessary in the technology industry, it will be an obvious advantage to have an American source of this vital mineral.

In short, the Lemhi County Board of Commissioners views the Idaho Cobalt Project as a greatly needed and desired undertaking for the nation, the state, and the region. We heartily support the proposed operation.

Sincerely,

Signed,

"Michael England

Bob Cope

Joe Proksch"

Lemhi County Board of County Commissioners